Background

The purpose of a quasi-endowment fund is to provide the opportunity for uncommitted or available departmental, college or university resources to be transferred into a fund that functions as an endowment and generates expendable income for use by the fund owner. Quasi-endowment funds are invested in the university's actively managed endowment fund until the principal is needed for operating or capital purposes. Accordingly, the investment commitment should be both substantial in the amount and long-term in nature.

Definitions

*Endowment fund* means an institutional fund or any part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. "Endowment fund" does not include assets that an institution designates as an endowment fund for its own use.

*Quasi-endowment fund* means funds designated by the Board of Trustees or management to be treated as endowments. These funds originate as local funds or gifts which are not intended for use in the immediate future.

Policy

The establishment and maintenance of quasi-endowment funds is subject to the following limitations:

1. Departmental local funds received under ORC 3345.05 and current gift funds are eligible for conversion into a quasi-endowment fund, subject to the approval of the respective Dean and Senior Vice President for Administration and Finance. (Use an A-200 form to establish the fund.)
The conversion of departmental general funds into a quasi-endowment fund is prohibited.

2. The minimum principal amount required to establish a new quasi-endowment fund is $100,000.

3. Principal additions to the fund must be equal to or greater than $25,000. The only exception is where an election is made for all annual income to be applied to principal in order to build the quasi-endowment fund.

4. The original principal must remain invested for a minimum period of five years.

5. Liquidation requests should be addressed through the appropriate Vice President/Dean with supporting documentation and justification provided to the Treasurer. Requests require approval of the Senior Vice President for Administration and Finance.
   a. Requests must be made at least six months in advance.
   b. Partial liquidations are discouraged.

6. All quasi-endowment funds are subject to the university’s Endowment Spending Policy.

7. Any funds in existence as of the date of the adoption of this policy must meet policy requirements of paragraphs 4, 5, and 6. Requirements under paragraphs 2 and 3 are deemed to have already been met.

Transfers of university funds into a quasi-endowment fund do not require Foundation approval.

- Non-gift funds are not subject to fees or other assessments levied by the Foundation.
- Gift funds are subject to fees or other assessments levied by the Foundation but may only be assessed a fee one time.

This policy does not apply to Foundation established quasi-endowment funds.

Any requests should be addressed through the appropriate Vice President/Dean to the Treasurer with supporting justification. Requests require the approval of the Senior Vice President for Administration and Finance.

**Phone Contacts:**

Treasury 556-5035
Controller 556-3152
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